

[No. 867, A.]

[Published April 30, 1887.]

CHAPTER 352.

AN ACT to amend section 1771, of chapter 86, of the revised statutes of 1878, entitled, "of the organization of corporations."

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. Section 1771, of chapter 86, of the revised statutes of 1878, is hereby amended by adding thereto the following: And also for the purpose of insuring or guaranteeing owners of real estate and owners of real estate mortgages and others interested in real estate from loss by reason of defective titles, liens and incumbrances, but no such corporation shall be authorized to transact any business or exercise any powers as such until two hundred thousand dollars of its capital stock shall have been subscribed for and one-quarter (fifty thousand dollars) of such stock shall have been actually paid in, invested and deposited as hereinafter provided. Said fifty thousand dollars shall be invested in bonds of the United States or of the state of Wisconsin; or in the bonds and obligations of any incorporated city of this state containing a population of not less than ten thousand souls, which bonds have not been issued as a bonus for, or purchase of, or subscription to, any railroad or other private enterprise, and whose total bonded indebtedness does not exceed five per centum of the then assessed valuation of the real and personal property of such city; or in the bonds of any organized county in this state, containing a population of not less than ten thousand souls, which bonds have not been issued for any of the purposes aforesaid, and whose total bonded indebtedness does not exceed five per centum of the then assessed valuation of the real and personal property of such county; or in bonds or promissory notes secured by first mortgages or deeds of trust, upon unincumbered real estate situated within this state, worth at least one-third more than the

Amending section 1771, R. S.

Formation of guaranty companies, for the purpose of insuring or guaranteeing owners of real estate and real estate mortgages against loss.

To deliver to secretary of state certain securities, as collateral—duty of secretary of state.

amount of the obligation so secured. Whenever any such corporation shall have so invested fifty thousand dollars of its paid in capital and shall deliver to the secretary of state the said securities and all evidence of such investment, so made, he shall execute and deliver a certificate of such deposit, and thereupon the said corporation may commence and carry on business under the provisions of this act. The secretary of state and his successors shall hold the said securities as collateral security for the insured and the creditors of said corporation; and such corporation may from time to time withdraw the said securities from said secretary of state, or any part thereof, upon their depositing with him other securities of equal amount and value, and of the kinds heretofore specified, so that an equal amount and value of such securities shall at all times during the existence of such corporation remain in the possession of the secretary of state for the purposes aforesaid and until otherwise ordered by a court of competent jurisdiction; and the said secretary of state shall pay over to such corporation the interests, dividends or other income which he shall collect upon such securities; or he may authorize the said corporation to collect the same for its own benefit; and for the general transaction of its business and carrying out the purposes of its organization. Such corporation may make and deliver, and in like manner accept and receive, all necessary and proper deeds, conveyances, mortgages, leases and other contracts and writings obligatory, and have and exercise all necessary rights, franchises, muniments, estate, powers and privileges necessary to that end. And such corporation is authorized to loan money and funds and secure such loans by mortgage; and shall have power to purchase notes, bonds, mortgages and other evidences of indebtedness and to sell and assign such notes, bonds, mortgages and other evidences of indebtedness and other securities, and to convert them into cash or other securities. Such corporations are hereby declared not to be insurance companies within the meaning of chapter 89, of the revised statutes and the several acts amendatory thereof.

Not to be insurance companies.

SECTION 2. This act shall take effect and be in force from and after its passage and publication.

Approved April 8, 1887.